

# PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chairman*

JOSEPH E. CONNARTON, *Executive Director*

Auditor SUZANNE M. BUMP | KATHLEEN M. FALLON | KATE FITZPATRICK | JAMES M. MACHADO | ROBERT B. MCCARTHY | JENNIFER F. SULLIVAN

## MEMORANDUM

TO: Natick Retirement Board  
FROM: Joseph E. Connarton, Executive Director  
RE: Appropriation for Fiscal Year 2019  
DATE: November 3, 2017

Required Fiscal Year 2019 Appropriation: **\$9,861,206**

This Commission is hereby furnishing you with the amount to be appropriated for your retirement system for Fiscal Year 2019 which commences July 1, 2018.

Attached please find summary information based on the present funding schedule for your system and the portion of the Fiscal Year 2019 appropriation to be paid by each of the governmental units within your system. The allocation by governmental unit was determined by Segal Consulting as part of their January 1, 2017 actuarial valuation.

If your System has a valuation currently in progress, you may submit a revised funding schedule to PERAC upon its completion. The current schedule is/was due to be updated by Fiscal Year 2020.

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666-4446 Extension 921.

JEC/jrl  
Attachments

cc: Board of Selectmen  
Town Meeting  
c/o Town Clerk

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## Natick Retirement Board

### Projected Appropriations

Fiscal Year 2019 - July 1, 2018 to June 30, 2019

Aggregate amount of appropriation: **\$9,861,206**

Fiscal Year	Estimated Cost of Benefits	Funding Schedule (Excluding ERI)	ERI	Total Appropriation	Pension Fund Allocation	Pension Reserve Fund Allocation	Transfer From PRF to PF
FY 2019	\$9,550,629	\$9,861,206	\$0	\$9,861,206	\$9,550,629	\$310,577	\$0
FY 2020	\$9,873,488	\$10,551,490	\$0	\$10,551,490	\$9,873,488	\$678,002	\$0
FY 2021	\$10,207,138	\$11,290,094	\$0	\$11,290,094	\$10,207,138	\$1,082,956	\$0
FY 2022	\$10,551,939	\$12,080,401	\$0	\$12,080,401	\$10,551,939	\$1,528,462	\$0
FY 2023	\$10,908,264	\$12,926,029	\$0	\$12,926,029	\$10,908,264	\$2,017,765	\$0

The Total Appropriation column shown above is in accordance with your current funding schedule and the scheduled payment date(s) in that schedule. Whenever payments are made after the scheduled date(s), the total appropriation should be revised to reflect interest at the rate assumed in the most recent actuarial valuation. Payments should be made before the end of the fiscal year.

For illustration, we have shown the amount to be transferred from the Pension Reserve Fund to the Pension Fund to meet the estimated Cost of Benefits for each year. If there are sufficient assets in the Pension Fund to meet the Cost of Benefits, this transfer is optional.

SECTION 3: Supplemental Information for the Town of Natick Contributory Retirement System

EXHIBIT E

Department Results as of January 1, 2017

Category	Housing	Public Safety	Water & Sewer Enterprise Fund	Sassamon Trace Enterprise Fund	All Others	Total
1. Demographics						
Actives	12	157	26	3	446	644
Inactives	0	7	2	2	127	138
Retired	4	135	15	1	242	397
Total	16	299	43	6	815	1,179
2. Total normal cost	\$77,320	\$2,461,339	\$148,724	\$20,411	\$2,594,149	5,301,943
3. Administrative expenses	4,083	129,985	7,854	1,078	137,000	280,000
4. Expected employee contributions	<u>67,236</u>	<u>1,291,284</u>	<u>161,752</u>	<u>14,203</u>	<u>2,089,629</u>	<u>3,624,104</u>
5. Employer normal cost: (2) + (3) - (4)	\$14,167	\$1,300,040	-\$5,174	\$7,286	\$641,520	\$1,957,839
6. Employer normal cost as a percent of payroll	2.0%	9.9%	-0.3%	5.2%	2.9%	5.2%
7. Actuarial accrued liability	\$3,486,409	\$102,882,429	\$8,928,323	\$313,553	\$98,639,323	\$214,250,037
8. Actuarial value of assets	<u>2,168,697</u>	<u>63,997,304</u>	<u>5,553,802</u>	<u>274,227</u>	<u>61,357,909</u>	<u>133,351,938</u>
9. Unfunded actuarial accrued liability: (7) - (8)	\$1,317,712	\$38,885,126	\$3,374,521	\$39,326	\$37,281,414	\$80,898,100
10. Payroll	707,145	13,136,020	1,646,986	140,782	21,791,023	37,421,956
11. Fiscal year 2018 appropriation	137,570	4,858,178	292,980	17,572	3,909,780	9,216,080
12. Fiscal year 2019 appropriation	140,985	5,137,740	315,114	11,812	4,255,554	9,861,204
13. Fiscal year 2020 appropriation	150,854	5,497,384	337,172	12,639	4,553,442	10,551,491

Notes: Actuarial value of assets allocated in proportion to liabilities, except for Sassamon Trace Enterprise Fund where actuarial value of assets is estimated from prior valuation plus employer and employee contributions, less benefit payments.

Recommended contributions are assumed to be paid on July 1 and December 31.

Fiscal year 2018 appropriation based on the January 1, 2015 valuation report dated August 15, 2015.